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TO FARM JOURNAL EDITORS:

The information which follows was selected and arranged for your use.

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TO SPEED PAYMENTS TO CORN-HOG PRODUCERS

A plan to reduce by several weeks the time required for arranging payment of the first corn and hog reduction checks, has been announced by Dr. A. G. Black, chief of the corn-hog section of the Agricultural Adjustment Administration. Under this plan, the method of handling the contract will be simplified by means of a "rider" sheet which may be substituted for two of the regular contract sections. The contracting producer will sign the "rider" under which he agrees in advance to accept any corrections and adjustments in his production figures as may be found necessary by the Community Committee and the County Allotment Committee.

"The main thing about this plan," explained Dr. Black, "is that it permits payment at an earlier date than could otherwise be arranged. It is recognized that in spite of every effort to hurry the procedure, a complete and thorough check-up may take as much as several months. Therefore, the administration proposes to make first payments to producers who sign the 'rider' on the basis of a careful preliminary check-up of their individual records and to let the final check-up carry over for awhile.

"The individual producer can take his choice as to how he wants his contract handled. All contracts, regardless of how handled, will be subject to careful check and adjustment by the county allotment committee, but payment on those handled without the rider cannot be made until after a complete check-up."

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FOR A SOUND DAIRY PROGRAM

Secretary of Agriculture Wallace, at a recent conference of farm leaders assembled in Washington to focus attention upon plans for adjusting dairy production to market conditions, said:

"The basic difficulty facing the dairy industry is due to two factors. The first is an increase in production, which since 1928 has been growing at a rate of 3 percent per year. This increase has occurred simultaneously with the second factor, the disastrous decline in consumer purchasing power which came with the depression. While production has been growing and is now at record levels, the consumption of fluid milk alone has been falling at the rate of about 1 percent a year since 1930. This has thrown more and more milk into dairy products manufacture.

"On November 1, 1933, the stocks of butter and cheese in cold storage and evaporated milk in manufacturers' hands were 87 percent heavier in terms of milk equivalent than on November 1, 1932. The Government's butter purchase program has materially helped the butter storage situation, but Government stabilization should not be regarded for a moment as the ultimate solution of the dairy problem.

"With the corn-hog program under way, the Agricultural Adjustment Administration now will throw its energies into work on a plan for the dairy industry. This plan must be aimed at correcting the fundamental difficulty, which is the increase in production. It must offer aid to the whole industry.

"The dairy problem is peculiarly different from that of cotton, wheat, and corn and hogs, which suffered from low prices through the years, and were primarily responsible for the enactment of the emergency legislation to assist all the producers of surplus crops. Farmers producing dairy products have got into trouble not as the immediate result of the loss of foreign markets, or shrinkage of foreign demand, but because of the lessened domestic consumptive power. This has been due to sharply falling industrial pay rolls. It also has come about because producers of export farm crops have been impelled by higher dairy prices to shift their attention more and more to dairying.

"The Department of Agriculture owes to the man who milks the cow the duty of working out a program which is sound as between milk and butter. It is not our duty to enforce fixed prices to the consumer. Any fight that has for its objective merely an increase in milk distributors' profits, no matter how cleverly it may be masqueraded in overalls, must not be permitted to divert us from the fundamental job of production adjustment.

"It is our duty to hold up milk prices to producers at as high a level as can be done in view of the purchasing power of city consumers and the prices being paid for butter and cheese. The purpose should be to sustain fair prices to farmers in the milk sheds by bringing butter and cheese prices up to their normal relationship. This would avoid present tendencies to increase fluid milk production inside the milk sheds and the danger of milk spilling over and getting into butter manufacture, beating down butterfat prices.

"These are our objectives, and we are conferring with the leaders of American agriculture on Friday to ascertain the possibilities of an agreement for a general advance upon a sound dairy program."

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ADMINISTRATOR DAVIS LOOKS AHEAD

In the course of a radio speech December 20, Chester C. Davis, Administrator of the Agricultural Adjustment Act, said:

"The American farmer, American industry, and the people generally have the greatest interest in the recovery of agriculture. While we cannot and do not claim responsibility for all the recovery manifest as the Agricultural Adjustment Act comes up to its first New Year's day, we still have the keenest interest in the improving situation. That improvement stands out clear and can be briefly summarized. Yesterday's crop review for 1933 by the Department of Agriculture disclosed total farm crop values of four billion and 76 million dollars this season compared with two billion 879 million dollars last year. This means an increase in the values of farm crops for this year of nearly a billion 200 dollars over similar values in 1932.

"This enormous increase in farm value is in itself a sure sign that American agriculture is at last on the road to recovery. The rise in values of farm crops is due to several factors, including improved supply situation in some crops, the President's monetary policy, and operation of the Agricultural Adjustment Act in the past eight months. But I should like to point out a further improvement which is not reflected in these crop value figures. I refer to the benefit payments which already have been made, or soon will be made to farmers cooperating with us in adjustment of production. These cash payments make a direct contribution to the farmer's income, which is what he is most interested in. The total benefit payments made or being made to cotton, wheat, tobacco and other farmers substantially exceed \$250,000,000. The exact total of 286 millions is made up of 111 million dollars for cotton, 48 million on cotton options, 102 million for wheat, and approximately 25 million to tobacco growers. Besides these sums, we expended 33 millions in our emergency hog buying program and the expenditure for butter purchases will be more than 11 millions, bringing our expenditures, made or pending, to over 330 million dollars.

"In my first talk as Administrator, I should like to speak to the dairy industry, which represents 25 percent of the total farm income. It deserves to have its share in the benefits of the Agricultural Adjustment Act. Months of experiment with the fluid milk agreements in the principal consuming centers, and the prices of butterfat, indicate that these marketing agreements alone will not lift the dairy industry out of depression. It is time for a new deal for the dairy industry. We must not only strive to hold hard-won price gains for farmers in milk sheds covered by agreements, but we must broaden the scope of our effort so as to extend price improvement to butter and cheese producers constituting a larger segment of the industry.

"We want milk agreements in a form that makes them enforceable and fair to all interests concerned. We want increasing consumer purchasing power in which lies the greatest hope of the dairy industry. But beyond all this we want a plan to adjust production, so that higher prices not merely in the milk sheds but all along the line can be sustained.

"With other major adjustment programs under way, we are now concentrating our energy on the great problem of dairying. We are reorganizing our dairy section to do the job, and we are proud to announce the appointment of J. H. Mason of Iowa, practical dairy farmer and widely known leader in the dairy cooperative field, as acting chief to help us in this enterprise. Soon we are going to offer an adjustment program to the dairy industry.

"Our efforts up to this time have followed five main lines. They are production adjustment with cash benefit payments to supplement farm prices; second, marketing agreements, to improve prices of miscellaneous crops; third, milk marketing agreements; fourth, we have cooperated with the Federal Emergency Relief Administration in the purchase of surplus farm crops for distribution among the needy unemployed. Finally, we have experimented with codes for the industries related to agriculture. We have faith that these codes can stabilize industry, raise wages, and spread employment. But because little can be expected of them as a direct means of improving farm income, all these codes for industry remote from agriculture and not closely related to prices paid to farmers are being transferred to the N.R.A. This relieves the Agricultural Adjustment Administration of an enormous burden. It clears the decks for real action along the farm front.

"As Administrator of the Act, I take this first opportunity to pledge to American agriculture that with the wholehearted backing of our great President and under the fine leadership of Henry A. Wallace, the fight for a New Deal for the farmers will be waged with the greatest vigor and highest intelligence at our command."

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OFFICE OF BUSINESS MANAGEMENT ESTABLISHED

Under a recent order by Chester C. Davis, Administrator of the Agricultural Adjustment Act, the "Office of the Administrative Officer of the Agricultural Adjustment Administration" was abolished, and an Office of Business Management established. T. Weed Harvey, assistant to Administrator Davis, will have charge of the Office of Business Management.

The change was made in order to eliminate overlapping of personnel, and to bring about a close working arrangement with existing Department of Agriculture facilities in administrative work.

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CHECKS TO WHEAT GROWERS TOTAL \$12,000,000

Wheat adjustment payments made by the Agricultural Adjustment Administration up to December 19 total \$12,653,733, received by growers under the production adjustment plan in 173,234 checks sent to 22 states. This is about one-sixth of the money which, as the first of two adjustment payments, will be paid to participating growers who have not yet received their first payments.

Fewer than 500 of approximately 1,500 counties participating in the wheat program remain to be approved for payment. The county acceptance unit had approved 1,120 counties up to midnight on December 20. The counties approved, but not paid, will receive checks as soon as the contracts are examined in detail.

In the last few days payments to wheat growers in Texas, Oklahoma and Oregon were begun. Most of the contracts yet to be approved will come from North Dakota, Montana, Idaho and Washington, where the wheat campaign was later than in other areas.

TOWARD HIGHER PRICES FOR BURLEY TOBACCO

A public hearing on a proposed marketing agreement for Burley tobacco was held December 21, 1933. The agreement between the Secretary of Agriculture and leading domestic buyers was drafted after a series of informal conferences by the tobacco section of the Agricultural Adjustment Administration, representative Burley growers and officials of tobacco companies which purchase the major portion of the Burley crop.

In signing the notice of hearing, the Secretary utilized his powers to declare an emergency situation and convene an immediate hearing. The principal Burley tobacco markets opened December 11. Dissatisfaction with the prices received has been expressed by growers in some markets.

Under the proposed marketing agreement, leading domestic buyers with two exceptions, would agree to purchase on the markets between December 11, 1933, and March 31, 1934, inclusive, "a number of pounds of Burley tobacco of the 1933 crop at least equal to the number of pounds of Burley tobacco (farm sales weight) used by such contracting buyer, its subsidiaries and affiliates, in the manufacturing business in the United States during the period of 12 months ending October 31, 1933."

The contracting buyers would agree to pay an average of at least 12 cents a pound for that portion of the 1933 Burley crop which they agree to purchase. If the average price should be below 12 cents a pound, the contracting buyers would "pay to the Secretary for each pound of Burley tobacco so purchased the difference between the average price paid and 12 cents."

A further provision in the proposed agreement is that "with respect to all of its purchases of Burley tobacco on the markets between December 11, 1933, and March 31, 1934, inclusive, out of the 1933 crop of Burley tobacco, for use in its manufacturing business in the United States, each contracting buyer shall purchase in the usual and ordinary manner, except as to prices provided in this agreement, against the requirements of such contracting buyer as though this agreement were not in effect, and shall not buy unduly of the high grades in order to defeat the purpose of this agreement or concentrate its purchases in any geographical region."

J. B. Hutson, chief of the tobacco section of the Agricultural Adjustment Administration, says: "If this agreement, after necessary public hearing, is made effective, growers of Burley tobacco are assured of an average price of at least 12 cents a pound on at least 260,000,000 pounds of the 1933 crop."

"It is of primary importance that Burley producers participate in the adjustment program, sign contracts immediately and assure a reduction of the 1934 Burley crop. If the proposed marketing agreement is made effective, the outlook for Burley producers is most hopeful only if a complete and effective sign-up is obtained. In addition to the income received by growers from the sale of the current crop, those who participate in this program will receive added payments which will bring their income for that portion of the crop domestically consumed to the parity level set by Congress in the Agricultural Adjustment Act."

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GROWERS TAKE COTTON OPTIONS

Under the terms of the 1933 cotton acreage reduction contract, growers who participated were given the choice of accepting cash benefits according to a schedule of payments, or a smaller cash payment plus cotton options at 6 cents a pound. About 60 percent of the total acreage reduced was covered by the cash-plus-option form of payment.

Approximately 2,400,000 bales of cotton were optioned to producers in the various states, as follows: Alabama, 194,870 bales; Arizona, 14,300; Arkansas, 228,765; California, 9,808; Florida, 3,856; Georgia, 213,550; Kansas, 65; Kentucky, 943; Louisiana, 114,092; Mississippi, 268,562; Missouri, 26,414; New Mexico, 13,409; North Carolina, 104,609; Oklahoma, 204,960; South Carolina, 180,671; Tennessee, 66,182; Texas, 738,095; and Virginia, 4,805. It is estimated that an advance of 4 cents a pound or \$20 a bale on this cotton optioned to the growers will add to their income from cotton approximately \$48,000,000.

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J. H. MASON ACTING CHIEF OF DAIRY SECTION

J. H. Mason, general manager of the Des Moines Cooperative Dairy Marketing Association, has been appointed by Chester C. Davis, Administrator of the Agricultural Adjustment Act, as acting chief of the dairy section in the Agricultural Adjustment Administration. Mr. Mason succeeds Dr. Clyde L. King, whose resignation was presented to George N. Peek, former administrator, December 4, and accepted by Mr. Peek December 15.

For 19 years Mr. Mason operated dairy farms in Iowa, and has been active in virtually every branch of the dairy industry. He assisted in organizing, and was for four years president of the Mason City Milk Producers' Association. He organized the Nebraska-Iowa Milk Producers' Association in Omaha, and became its general manager, and took the leadership in reorganizing the Lincoln Non-Stock Milk Producers' Association.

Last February Mr. Mason arbitrated and settled the milk dispute in the Sioux City area. As general manager of the Des Moines Cooperative Dairy Marketing Association, he built a \$100,000 plant, and has directed its operation involving a milk and butter business of about \$1,500,000 annually.

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